

## MISSOURI WORKS PROGRAM

Facilitate the creation of quality jobs by targeted business projects.

### Authorization

Sections 620.2000 to 620.2020

### Eligible Applicants

- For-Profit or non-profit businesses.
- Not Eligible:
  - Gambling establishments, store front consumer-based retail trade establishments, food and drinking places, public utilities, educational services, religious organizations, public administration, ethanol distillation or production, biodiesel production, or healthcare and social services.
  - Businesses that are delinquent in payment of any nonprotested taxes or other payments (state, federal, local).
  - Businesses that have filed for or have publicly announced their intention to file for bankruptcy, unless certain requirements are met.
  - Businesses that are relocating jobs from Johnson, Miami, or Wyandotte counties in Kansas to Jackson, Platte, Clay or Cass counties in Missouri. However, net new jobs created above a qualified company's base employment may be eligible for benefits.
- Note: Headquarters, administrative, or research and development offices of otherwise excluded businesses may be eligible if the predominant function of such offices is to serve a multistate territory.

### Eligibility Criteria

Program	Minimum New Jobs	Minimum New Private Capital Investment	Minimum Average Wage	Automatic Benefit
Zone Works (Note 1)	2	\$100,000	80% of County Avg. Wage	WH, 5 or 6 years (Note 3)
Rural Works (Note 2)	2	\$100,000	90% of County Avg. Wage	WH, 5 or 6 years (Note 3)
Statewide Works	10	N/A	90% of County Avg. Wage	WH, 5 or 6 years (Note 3)
Mega Works 120	100	N/A	120% of County Avg. Wage	6% of new payroll, 5 or 6 years (Note 3)
Mega Works 140	100	N/A	140% of County Avg. Wage	7% of new payroll, 5 or 6 years (Note 3)
Deal Closing Fund	10	N/A	100% of County Avg. Wage	Tax credit within 1 year (Note 4)
Retention Works	50 Retained	50% or more of amount of incentives	90% of County Avg. Wage	Retention of WH for a period of up to 10 years (Note 4)
Retention Works-Auto Manufacturing	N/A	\$500M within 3 years of NOI approval	N/A	Tax credits based on amount outlined in proposal.
Qualified Military Projects	10	Real or personal property amount as outlined in the proposal	90% of County Avg. Wage	Tax credits equal to the estimated WH taxes for a term up to 15 years. Must receive a proposal for benefits.

### Contact

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 Division of Business and Community Solutions  
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"WH" means the retention of the state withholding tax of the new jobs

**Note 1:** Project facility must be located in an Enhanced Enterprise Zone.

**Note 2:** Project facility must be located in a "rural" county, which would NOT include Boone, Buchanan, Clay, Greene, Jackson, St. Charles, and St. Louis City and County.

**Note 3:** Benefit period is 5 years, or 6 years for existing Missouri companies (those that have been operational in Missouri for at least 10 years).

**Note 4:** Discretionary incentives are limited to a maximum of 9% of new payroll and applicants must receive a proposal from DED.

In addition to the Benefit indicated above, the Statewide Works or Mega Works projects may be considered for discretionary benefits, including Deal Closing Fund. The criteria for the discretionary benefits include:

- The least amount necessary to obtain the company's commitment;
- The amount of the project's projected net fiscal benefit to the state and the period in which the state would realize such net fiscal benefit;
- The overall size (number of jobs, payroll, new capital investment) and quality (average wages, growth potential of the company, multiplier effect of the industry) of the project;
- The financial stability and creditworthiness of the company;
- The level of economic distress of the project area;
- The competitiveness of alternative locations; and
- The percentage of local incentives committed to the project.

## **Program Benefits**

Program benefits include (a) the retention of the state withholding tax of the new jobs and/or (b) state tax credits, which are refundable, transferable and saleable. The program benefits are based on a percentage of the payroll of the new jobs. The program benefits are not provided until the minimum new job threshold is met and the company meets the average wage and health insurance requirements.

"Base Employment" is the greater of (a) the number of full-time employees on the date of the Notice of Intent, or (b) the average number of full-time employees for the 12 month period prior to the date of the Notice of Intent. In the event the company (or a related company) reduces jobs at another facility in Missouri with related operations, the calculation of new jobs at the project facility would be reduced accordingly.

"Full-Time Employee" is an employee of the qualified company that is scheduled to work an average of at least thirty-five hours per week for a twelve-month period, and one for which the qualified company offers health insurance and pays at least fifty percent of such insurance premiums.

"New jobs" are defined as full-time employees of the company located at the project facility, beyond the base employment.

## **Funding Limits**

<b>Program Caps</b>	<b>FY2020 (July 1, 2019 - June 30, 2020)</b>	<b>FY2021 and thereafter (Starting July 1, 2020)</b>	<b>FY2023 and thereafter (Starting July 1, 2023)</b>
<b>Total Program</b>	\$116 million in tax credits  (Note: Up to 21.5% of tax credit cap may be set aside for the Deal Closing Fund.)	\$116 million in tax credits  (Note: Up to 21.5% of tax credit cap may be set aside for the Deal Closing Fund.)	\$116 million in tax credits  (Note: Up to 21.5% of tax credit cap may be set aside for the Deal Closing Fund)
<b>Retention Works</b>	\$6 million in retained withholdings	\$6 million in retained withholdings	\$6 million in retained withholdings
<b>Retention Works - Auto Manufacturing</b>	Not Available	Not Available	\$10 million in tax credits per calendar year for a period of up to 10 years

## **Attributes of the Tax Credits**

The tax credits may be applied to Chapter 143 (state income tax, excluding withholding tax) and Chapter 148 (financial institution tax) liabilities. Tax credits must be claimed within one year of the close of the taxable year for which they were issued. Tax credits can only be applied to tax liability for the year in which they were earned. Any annual unused balance is fully refundable. The credits may also be transferred, sold or assigned.

## **Application/Approval Procedure**

Prior to the receipt of a DED proposal or approval of a notice of intent ("NOI"), none of the following can have occurred:

- Significant, project-specific site work at the project facility.
- Purchased machinery or equipment related to the project.
- A publicly announced intention to make new capital investment at the project facility.

A qualified company may request a proposal for estimated benefits or apply directly with an NOI to DED. DED will then:

- Confirm the business is eligible;
- Establish the date at which "base employment" is calculated;
- Reserve the estimated tax credits for the project (if any); and
- Establish the 2-year deadline date by which the minimum thresholds for the creation of the new jobs, investment, etc. must be met.

## **Reporting Requirements**

On an annual basis, the business must submit a report documenting the new jobs created, the total payroll, and that the business meets the health insurance requirements for the new jobs. In the event that a company has not maintained the minimum program requirements, benefits will cease for the remainder of the benefit period and may require repayment. The Tax Credit Accountability Act Reporting Form must also be submitted to the Department of Revenue by June 30th each year the company receives tax credits and for the three years following the issuance of the tax credits.

## **Special Program Requirements**

A business cannot simultaneously receive benefits for the same capital investment or the same jobs under the following programs:

- Rebuilding Communities
- Development Tax Credit
- Enhanced Enterprise Zone
- Quality Jobs
- Manufacturing Jobs

Special conditions apply when Missouri Works is used at the same time as other programs that affect state withholding taxes (e.g. Missouri One Start, State Tax Increment Financing).

Estimated state withholding taxes, based on adjusted gross income (AGI):

- |                            |                              |
|----------------------------|------------------------------|
| • AGI of \$15-20,000 1.21% | • AGI of \$50-55,000 3.40%   |
| • AGI of \$20-25,000 1.92% | • AGI of \$55-60,000 3.46%   |
| • AGI of \$25-30,000 2.45% | • AGI of \$60-65,000 3.53%   |
| • AGI of \$30-35,000 2.82% | • AGI of \$65-70,000 3.58%   |
| • AGI of \$35-40,000 3.06% | • AGI of \$70-75,000 3.67%   |
| • AGI of \$40-45,000 3.20% | • AGI of \$75-100,000 3.43%  |
| • AGI of \$45-50,000 3.29% | • AGI of \$100-200,000 3.02% |

County average wages (effective until 6/30/2021):

Average county wages are based on Census of Employment and Wages, MERIC. Updates to be made annually. Use 2,080 hours per year when converting from annual to hourly wages.

County	Average Annual Wage	County	Average Annual Wage	County	Average Annual Wage
ADAIR	\$32,905	GRUNDY	\$32,628	PERRY	\$38,263
ANDREW	\$34,334	HARRISON	\$29,326	PETTIS	\$36,225
ATCHISON	\$34,550	HENRY	\$35,067	PHELPS	\$36,998
AUDRAIN	\$37,289	HICKORY	\$25,493	PIKE	\$33,716
BARRY	\$40,357	HOLT	\$38,781	PLATTE	\$49,016
BARTON	\$34,323	HOWARD	\$31,840	POLK	\$32,083
BATES	\$31,981	HOWELL	\$33,981	PULASKI	\$29,341
BENTON	\$28,112	IRON	\$40,532	PUTNAM	\$27,463
BOLLINGER	\$29,995	JACKSON	\$51,134	RALLS	\$46,091
BOONE	\$42,346	JASPER	\$40,664	RANDOLPH	\$38,711
BUCHANAN	\$46,831	JEFFERSON	\$38,541	RAY	\$37,074
BUTLER	\$32,961	JOHNSON	\$32,945	REYNOLDS	\$36,843
CALDWELL	\$35,309	KNOX	\$31,785	RIPLEY	\$22,995
CALLAWAY	\$48,100	LACLEDE	\$34,858	SALINE	\$36,154
CAMDEN	\$34,652	LAFAYETTE	\$33,742	SCHUYLER	\$28,396
CAPE GIRARDEAU	\$41,876	LAWRENCE	\$37,401	SCOTLAND	\$27,796
CARROLL	\$37,832	LEWIS	\$34,482	SCOTT	\$38,281
CARTER	\$24,500	LINCOLN	\$41,708	SHANNON	\$25,716
CASS	\$36,417	LINN	\$35,614	SHELBY	\$32,374
CEDAR	\$27,132	LIVINGSTON	\$34,456	ST CHARLES	\$48,029
CHARITON	\$33,399	MACON	\$32,356	ST LOUIS CITY	\$51,134
CHRISTIAN	\$32,939	MADISON	\$29,994	ST LOUIS CO	\$51,134
CLARK	\$26,678	MARIES	\$32,984	ST. CLAIR	\$26,929
CLAY	\$50,393	MARION	\$38,530	ST. FRANCOIS	\$31,982
CLINTON	\$36,939	MCDONALD	\$36,719	STE. GENEVIEVE	\$45,297
COLE	\$42,380	MERCER	\$38,593	STOIDDARD	\$37,570
COOPER	\$33,394	MILLER	\$31,666	STONE	\$30,253
CRAWFORD	\$37,595	MISSISSIPPI	\$30,868	SULLIVAN	\$44,450
DADE	\$32,411	MONITEAU	\$37,155	TANEY	\$31,499
DALLAS	\$25,068	MONROE	\$30,142	TEXAS	\$30,031
DAVISS	\$27,841	MONTGOMERY	\$35,984	VERNON	\$37,399
DEKALB	\$35,349	MORGAN	\$29,005	WARREN	\$39,663
DENT	\$29,587	NEW MADRID	\$37,742	WASHINGTON	\$27,524
DOUGLAS	\$27,115	NEWTON	\$42,061	WAYNE	\$24,539
DUNKLIN	\$26,893	NODAWAY	\$35,017	WEBSTER	\$33,773
FRANKLIN	\$42,993	OREGON	\$25,139	WORTH	\$24,444
GASCONADE	\$30,888	OSAGE	\$37,251	WRIGHT	\$30,662
GENTRY	\$36,840	OZARK	\$24,764	STATEWIDE	\$51,134
GREENE	\$44,535	PEMISCOT	\$29,872		

Statewide average of \$51,134 applicable to any county over the statewide average when determining program eligibility. (Jackson, St. Louis County and City)

The wage represents an average for all private industries.

If a project is moving from one Missouri county to a county with a lower county average wage, the company must obtain endorsement from the governing body of the community where the jobs are located, or the higher county average wage will be used for calculations.